

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02034A
Cienega Water Co
P.O. Box 3518
Parker, AZ 85344

C

ANNUAL REPORT
WATER

FOR YEAR ENDING

12	31	2008
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DEC 08 2010

FOR COMMISSION USE

ANN 04	08
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PROCESSED BY:

10-12-10

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Cienega Water Co., Inc.</u>		
Mailing Address <u>P.O. Box 3518</u>		
<u>Parker</u> (City)	<u>AZ</u> (State)	<u>85344</u> (Zip)
<u>(928) 667-2590</u> Telephone No. (Include Area Code)	<u>(928) 667-2590</u> Fax No. (Include Area Code)	<u>N/A</u> Cell No. (Include Area Code)
Email Address <u>Cienegawater@yahoo.com</u>		
Local Office Mailing Address <u>Same</u>		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address <u></u>		

MANAGEMENT INFORMATION

Management Contact: <u>Eleanor Stephan</u>			<u>President</u>
<u>31876</u> (Street)	<u>Cienega Springs Rd., Parker,</u> (City)	<u>AZ</u> (State)	<u>85344</u> (Zip)
<u>(928) 667-2590</u> Telephone No. (Include Area Code)	<u>(928) 667-2590</u> Fax No. (Include Area Code)	<u>N/A</u> Cell No. (Include Area Code)	
Email Address <u>Cienegawater@yahoo.com</u>			
On Site Manager: <u>Debra R. Kilgore</u>			
<u>31876</u> (Street)	<u>Cienega Springs Rd., Parker,</u> (City)	<u>AZ</u> (State)	<u>85344</u> (Zip)
<u>(928) 667-2590</u> Telephone No. (Include Area Code)	<u>(928) 667-2590</u> Fax No. (Include Area Code)	<u>(714) 330-5665</u> Cell No. (Include Area Code)	
Email Address <u>Cienegasprings@yahoo.com</u>			

Statutory Agent: Jack Haas
 (Name)
7804 Riverside Dr.
 (Street) (City) AZ 85344
 (State) (Zip)
(928) 667-2590
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)
 Attorney: NONE
 (Name)
 (Street) (City) (State) (Zip)
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)
 Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Cienega Water Co.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	10565	10565	0
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes & Storage tanks	42793	15349	27444
331	Transmission and Distribution Mains	61812	18546	43266
333	Services	20637	6192	14445
334	Meters and Meter Installations	17880	17164	716
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	3545	1062	2483
340	Office Furniture and Equipment	1177	1177	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	2408	2408	0
344	Laboratory Equipment			
345	Power Operated Equipment	12155		
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	172272	78136	94837

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Cienega Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			

Please see
pg 52

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

195-2

Cienega Water Co., inc. Depreciation spread

Depreciation breakdown as of 12-31-07

description	yr purch'd	orig cost	prev deprec	2008 dep	2009 dep	total dep	balance left
wells & springs	pre 1999	10,565.00	10,565.00			10,565.00	0.00
distributuion res & standpipes	pre 1999	3,589.00	3,589.00			3,589.00	0.00
meters	pre 1999	17,880.00	15,263.92	1,900.00		17,163.92	716.08
office equipment	pre 1999	1,079.00	1,079.00			1,079.00	0.00
equipment & tools	2000	1,291.63	1,291.63			1,291.63	0.00
equipment & tools	2001	1,116.66	1,116.66			1,116.66	0.00
power operated equipment	2002	12,155.30	4,862.10	810.35		5,672.45	6,482.85
powered equipment do at 15 s/l							
office equipment	2003	98.13	98.13			98.13	0.00
storage tanks	2003	39,204.00	9,800.00	1,960.00		11,760.00	27,444.00
do tanks and the rest at 20 s/l							
trans & distributions mains	2003	61,811.70	15,455.00	3,091.00		18,546.00	43,265.70
services	2003	20,637.00	5,160.00	1,032.00		6,192.00	14,445.00
other plant & misc equipment	2003	3,545.00	885.00	177.00		1,062.00	2,483.00
total		172,972.42	69,165.44	8,970.35	0.00	78,135.79	94,836.63

designed by tricia walker consulting

COMPANY NAME Cienega Water Co., Inc.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$	\$

Please see pg 62

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Cienega Water Co., Inc.
Balance Sheet
As of December 31, 2008

1962

Dec 31, 08

ASSETS

Current Assets

Checking/Savings

105 · Cash in Bank - Bank One 4,279.60

Total Checking/Savings 4,279.60

Total Current Assets 4,279.60

Fixed Assets

185 · Utility Plant in Serv 14,154.00

190 · Orig. Meters 1995 17,879.78

191 · New-Repl'd Construction '02-'03

191-A · Storage Tanks 39,204.00

191-B · Trans & Distrib. Mains 61,812.00

191-C · Update Service Loc. 20,637.00

191-D · Power Operated Equipment 12,155.00

191-E · Other Misc Plant 3,545.00

Total 191 · New-Repl'd Construction '02... 137,353.00

192 · Small Equipment & Tools 2,408.29

193 · Office Equipment 1,176.67

195 · XX- Accum. Depreciation -78,137.04

Total Fixed Assets 94,834.70

Other Assets

197 · Computers 2,239.74

Total Other Assets 2,239.74

TOTAL ASSETS 101,354.04

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

205 · Accts Payables 9,515.10

Total Accounts Payable 9,515.10

Total Current Liabilities 9,515.10

Long Term Liabilities

240 · LongTerm Notes/Bonds 43,648.00

245 · LongTerm CSDC-Loans 12,000.00

250 · Work Loan from Merco 126,737.07

Total Long Term Liabilities 182,385.07

Total Liabilities 191,900.17

Equity

325 · Capital Stock 5,700.00

350 · Retained Earnings -86,928.67

Net Income -9,317.46

Total Equity -90,546.13

TOTAL LIABILITIES & EQUITY 101,354.04

COMPANY NAME Cienega Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

please see

Cienega Water Co., Inc.
Balance Sheet
As of December 31, 2008

9/2

	Dec 31, 08	Dec 31, 07
ASSETS		
Current Assets		
Checking/Savings		
105 · Cash in Bank - Bank One	4,279.60	6,711.86
Total Checking/Savings	4,279.60	6,711.86
Total Current Assets	4,279.60	6,711.86
Fixed Assets		
185 · Utility Plant in Serv	14,154.00	14,154.00
190 · Orig. Meters 1995	17,879.78	17,879.78
191 · New-Repl'd Construction '02-'03		
191-A · Storage Tanks	39,204.00	39,204.00
191-B · Trans & Distrib. Mains	61,812.00	61,812.00
191-C · Update Service Loc.	20,637.00	20,637.00
191-D · Power Operated Equipment	12,155.00	12,155.00
191-E · Other Misc Plant	3,545.00	3,545.00
Total 191 · New-Repl'd Construction '02...	137,353.00	137,353.00
192 · Small Equipment & Tools	2,408.29	2,408.29
193 · Office Equipment	1,176.67	1,176.67
195 · XX- Accum. Depreciation	-78,137.04	-69,166.04
Total Fixed Assets	94,834.70	103,805.70
Other Assets		
197 · Computers	2,239.74	2,239.74
Total Other Assets	2,239.74	2,239.74
TOTAL ASSETS	101,354.04	112,757.30
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
205 · Accts Payables	9,515.10	9,515.10
Total Accounts Payable	9,515.10	9,515.10
Total Current Liabilities	9,515.10	9,515.10
Long Term Liabilities		
240 · LongTerm Notes/Bonds	43,648.00	43,648.00
245 · LongTerm CSDC-Loans	12,000.00	12,000.00
250 · Work Loan from Merco	126,737.07	128,822.87
Total Long Term Liabilities	182,385.07	184,470.87
Total Liabilities	191,900.17	193,985.97
Equity		
325 · Capital Stock	5,700.00	5,700.00
350 · Retained Earnings	-86,928.67	-75,702.40
Net Income	-9,317.46	-11,226.27
Total Equity	-90,546.13	-81,228.67
TOTAL LIABILITIES & EQUITY	101,354.04	112,757.30

COMPANY NAME Cienega Water Co., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

*Please
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1:04 PM
10/06/10
Accrual Basis

Cienega Water Co., Inc.
Profit & Loss
January through December 2008

982

	Jan - Dec ...	Jan - Dec ...
Income		
410 · Metered Water Sales	27,224.90	31,204.25
490 · Miscellaneous Income	125.94	148.37
Total Income	27,350.84	31,352.62
Expense		
610 · Automobile Expenses	4,924.65	0.00
611 · Bank Charges	-4.00	174.85
612 · Depreciation	8,971.00	8,970.35
615 · Dues & Subscriptions	268.77	347.00
617 · Education	130.00	1,411.28
618 · Equipment R & M	0.00	1,200.00
625 · Interest Pd	4,452.22	12,223.52
630 · Licenses	100.00	0.00
631 · Management Services	0.00	8,400.00
635 · Office Exp & Postage	443.82	168.00
640 · Prof. Fees (Legal/Acct)	7,933.75	1,362.50
645 · Supplies	789.96	2,130.50
647 · Water Testing	2,160.67	642.19
650 · Sales Taxes	1,601.79	1,558.78
675 · Repairs & Maintainan...	2,455.31	1,319.59
685 · Utilities	1,324.47	1,484.79
690 · Income Taxes	50.00	50.00
695 · Miscellaneous	125.81	0.00
698 · Property Taxes	940.08	1,135.54
Total Expense	36,668.30	42,578.89
Net Income	<u>-9,317.46</u>	<u>-11,226.27</u>

COMPANY NAME Cienega Water Co.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07-01-02			
Source of Loan	Private			
ACC Decision No.	63151 plus add'l			
Reason for Loan	Reconstruction & Repayments			
Dollar Amount Issued	\$ 146533-	\$	\$	\$
Amount Outstanding	\$ 126737-	\$	\$	\$
Date of Maturity	06-30-24			
Interest Rate	7% %	%	%	%
Current Year Interest	\$ 4452-	\$	\$	\$
Current Year Principle	\$ 2086-	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME <u>Cienega Water Co Inc.</u>	
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION *not more @ this time*

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
620744	1	6-7	98	8	1 1/2	1945
617676	1	6-7	96	6	2	1959
617677	1	6-7	95	10	1 1/2	1960

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		NONE	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5,000	4	N/A	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Cienega Water Co. Inc.	
Name of System:		ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	transite	1370
3	↙	3190
4	↙	1120
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	69
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Storage tanks

OTHER:

meters - wells & springs - office Furniture & Fixtures

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: <u>Cenega Water Co.</u>	
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

Please see page 12

What is the level of arsenic for each well on your system? 0.005 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 1 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

12a

Cienega Water Co., Inc. Well Readings & water usage status

2008 running total WELL #3

Total water pumped each month

Dec-07	298,400	23,370	Dec-07	14,332,200	219,200
JAN	321,770	37,730	JAN	14,551,400	63,900
FEB	359,500	49,280	FEB	14,615,300	60,300
MAR	408,780	18,960	MAR	14,675,600	177,600
APR	427,740	18,550	APR	14,853,200	171,200
MAY	446,290	25,010	MAY	15,024,400	231,300
JUNE	471,300	27,090	JUNE	15,255,700	227,200
JULY	498,390	20,670	JULY	15,482,900	195,500
AUG	519,060	18,960	AUG	15,678,400	192,100
SEPT	538,020	19,350	SEPT	15,870,500	217,700
OCT	557,370	37,310	OCT	16,088,200	306,300
NOV	594,680	25,740	NOV	16,394,500	168,300
DEC	620,420		DEC	16,562,800	
tot water		322,020	tot water		2,230,600

WATER STATION

Dec-07	164100
JAN	166160
FEB	167770
MAR	169070
APR	169890
MAY	169720
JUNE	169860
JULY	170060
AUG	170120
SEPT	170320
OCT	170620
NOV	171630
DEC	172570

	estimated flushing	donation water	estimate adjust or water breaks	water sold vs. pumped overshort	notes on water breaks
JAN	5,000	2,060	20,500	-410	water diff due to installation of new clonating sys
FEB	5,000	1,610	-74,000	-420	telem not working again
MAR	5,000	1,300	-87,000	820	telem & possible meter problem
APR	5,000	820	15,000	-1,140	small water leak at wells
MAY	5,000	-170		1,180	
JUNE	5,000	140	10,000	-370	small water leak at wells
JULY	5,000	200		-490	
AUG	5,000	60	24,000	-310	excessive testing & small water break
SEPT	5,000	200	52,000	-260	major water leak on main line to park
OCT	5,000	300	80,000	-450	major water leak on main line to park
NOV	5,000	1,010	137,000	-600	power went out needed to over flush all lines twice also le
DEC	5,000	940	67,300	0	tanks ran over not sure why
tot water	60,000	8,470	244,800	-2,450	

this figure is a monthly estimate

60000 flushing
actual gallons sold

COMPANY NAME Cienega Water Co. YEAR ENDING 12/31/2008

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: \$ 940.08

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Please see
Pg 13a

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>La Paz</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Kleanor Stephan</u>
COMPANY NAME	<u>Cienega Water Co., Inc</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2008</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Kleanor Stephan
SIGNATURE OF OWNER OR OFFICIAL
928-667-2590
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

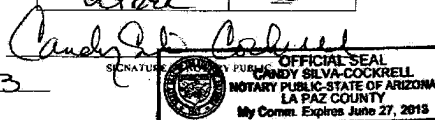
THIS 22nd

DAY OF

COUNTY NAME	<u>La Paz</u>
MONTH	<u>October</u>
YEAR	<u>2010</u>

(SEAL)

MY COMMISSION EXPIRES 6-27-2013



COMPANY NAME Cienega Water Co., Inc YEAR ENDING 12/31/2008

INCOME TAXES

Please see
pgs 15a thru
15e

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Debra R. Kilgore
SIGNATURE

10/6/10
DATE

Debra R. Kilgore
PRINTED NAME

V.P.
TITLE

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>La Paz</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Eleanor Stephan</u>
COMPANY NAME	<u>Cienega Water Co, Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2009</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$27,350 84

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1606.79
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Eleanor Stephan
SIGNATURE OF OWNER OR OFFICIAL
928-667-2570
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd DAY OF

COUNTY NAME	<u>La Paz</u>
MONTH	<u>October</u> , 20 <u>10</u>

(SEAL)

MY COMMISSION EXPIRES 6-27-2013

Candy Silva Cockrell
SIGNATURE OF NOTARY PUBLIC



VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	LA PAZ	
NAME (OWNER OR OFFICIAL)	Eleanor Stephan	TITLE President
COMPANY NAME	Ciënega Water Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 27350⁸⁴

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1601.79
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

**Eleanor Stephan*
SIGNATURE OF OWNER OR OFFICIAL
978-607-2590
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14

DAY OF

October

NOTARY PUBLIC NAME	Candy Silva-Cockrell
COUNTY NAME	LA PAZ
MONTH	Oct 14
YEAR	2010

(SEAL)



MY COMMISSION EXPIRES

6-27-2013

X *Candy Silva-Cockrell*
SIGNATURE OF NOTARY PUBLIC

CIENEGA WATER COMPANY, INC.
P.O. BOX 3518 PH. 928-667-2590
PARKER, AZ 85344

1427

19.32

DATE 9-22-08

91-2195
1221

PAY TO THE ORDER OF La Paz County Treasurer

\$ 940.08

Nine Hundred = Forty dollars & 08 cents

DOLLARS

BANK ONE.

JPMorgan Chase Bank, N.A.
Phoenix, Arizona 85073

FOR 937-42-703 6

⑈001427⑈ ⑆122100024⑆

25325354⑈

Ellean Stephan

FIRST HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Ellen Solper
La Paz County Treasurer
1112 Joshua Ave, Ste 203
Parker AZ 85344-5756

Payment in U.S. FUNDS ONLY

October 1, 2008
LA WATER COMPANY

Number: 937-42-703 6 Roll Number: 0020014

any late First Half Payment
or late payment is 16% per year prorated
as of the 1st day of the month for payments
received after 5:00 P.M. November 3, 2008
(ARS 42-18052 and ARS 42-18053).

property tax notice of \$100 or less must
be paid using the first payment coupon, no
later than November 3, 2008 at 5:00 P.M.

a full year payment for billed amounts over
\$50.00, 2008 and no interest will be
charged for current year. Mail full year payment with
coupon.

TO PAY 1ST HALF ONLY	PAY	470.04
TO PAY FULL YEAR TAX	PAY	940.08

If your mortgage company makes your property
tax payments consider this notice as a courtesy
copy for your records only.



159374270300600000047004



Ellen Solper
La Paz County Treasurer
1112 Joshua Ave, Ste 203
Parker AZ 85344-5756

2008 9374270306 1 00000009400800000047004

008 SECOND HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Ellen Solper
La Paz County Treasurer
1112 Joshua Ave, Ste 203
Parker AZ 85344-5756

Payment in U.S. FUNDS ONLY

March 1, 2009
CIENEGA WATER COMPANY

Parcel Number: 937-42-703 6 Roll Number: 0020014

any late Second Half Payment
or late payment is 16% per year
prorated monthly as of the 1st day of the
month for payments postmarked after 5:00
P.M. March 1, 2009 (ARS 42-18052 and ARS
42-18053).

TO PAY 2ND HALF	PAY	470.04
-----------------	-----	--------

If your mortgage company makes your property
tax payments consider this notice as a courtesy
copy for your records only.



159374270300600000047004



Ellen Solper
La Paz County Treasurer
1112 Joshua Ave, Ste 203
Parker AZ 85344-5756

2008 9374270306 2 00000009400800000047004

U.S. Corporation Income Tax Return

For calendar year 2008 or tax year beginning , 2008, ending ,

See separate instructions.

OMB No. 1545-0123

2008

A Check if:

- 1 a Consolidated return (attach Form 851) ☐
- b Life/nonlife consolidated return ☐
- 2 Personal holding co (attach Sch PH) ☐
- 3 Personal service corp (see instr) ☐
- 4 Schedule M-3 attached ☐

Use IRS label. Otherwise, print or type.

Name

Cienega Water Co., Inc.

Number, street, and room or suite number. If a P.O. box, see instructions.

P O Box 3518

City or town

Parker

state ZIP code

AZ 85344

B Employer identification number

86-0203803

C Date incorporated

07/01/1965

D Total assets (see instructions)

\$ 101,355.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

INCOME	1 a Gross receipts or sales	27,351.	b Less returns & allowances		c Balance	1 c	27,351.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	27,351.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (see instructions — attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	27,351.
DEDUCTIONS SEE INSTRUCTIONS	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	8,000.
	15 Bad debts					15	
	16 Rents					16	
	17 Taxes and licenses					17	2,692.
	18 Interest					18	4,452.
	19 Charitable contributions					19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					20	8,970.
	21 Depletion					21	
	22 Advertising					22	
	23 Pension, profit-sharing, etc, plans					23	
	24 Employee benefit programs					24	
	25 Domestic production activities deduction (attach Form 8903)					25	
	26 Other deductions (attach schedule) See Other Deductions Statement					26	12,554.
	27 Total deductions. Add lines 12 through 26					27	36,668.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	-9,317.
	29 Less: a Net operating loss deduction (see instructions)	29 a					
b Special deductions (Schedule C, line 20)	29 b				29 c		
TAX AND REFUNDABLE CREDITS	30 Taxable income. Subtract line 29c from line 28 (see instructions)					30	-9,317.
	31 Total tax (Schedule J, line 10)					31	
	32 a 2007 overpayment credited to 2008	32 a					
	b 2008 estimated tax payments	32 b					
	c 2008 refund applied for on Form 4466	32 c			d Bal	32 d	
	e Tax deposited with Form 7004				32 e		
	f Credits: (1) Form 2439 (2) Form 4136				32 f		
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32 g	32 h	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	
	34 Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed					34	
35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid					35		
36 Enter amount from line 35 you want: Credited to 2009 estimated tax				Refunded	36		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)?

Yes ☐ No ☒

Signature of officer

Date

Title

Paid Preparer's Use Only

Preparer's signature

tricia walker

Date

02/20/09

Check if self-employed ☒

Preparer's SSN or PTIN

551-68-6798

Firm's name (or yours if self-employed), address, and ZIP code

tricia walker consulting

10923 Captain Lane

Parker

AZ 85344

EIN 86-0714123

Phone no. (928) 667-3517

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost
(ii) ☐ Lower of cost or market
(iii) ☐ Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods ☐c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation ☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

(a) Dividends received

(b) Percentage

(c) Special deductions (a) x (b)

1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations		
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

Schedule E Compensation of Officers (see instructions for page 1, line 12)**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2
3	Alternative minimum tax (attach Form 4626)		3
4	Add lines 2 and 3		4
5a	Foreign tax credit (attach Form 1118)	5a	
5b	Credit from Form 8834	5b	
5c	General business credit (attach Form 3800)	5c	
5d	Credit for prior year minimum tax (attach Form 8827)	5d	
5e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e		6
7	Subtract line 6 from line 4		7
8	Personal holding company tax (attach Schedule PH (Form 1120))		8
9	Other taxes. <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 Check if from: <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (att schedule)		9
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10

Schedule K Other Information (see instructions)

1	Check accounting method	a <input type="checkbox"/> Cash	b <input checked="" type="checkbox"/> Accrual	c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:					
a	Business activity code no. ▶	221300				
b	Business activity ▶	water service				
c	Product or service ▶	water				
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?					X
	If 'Yes,' enter name and EIN of the parent corporation ▶					
4	At the end of the tax year:					
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote?					X
	For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v).					

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock

b	Did any individual or estate own, directly 20% or more, or won directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote?	X
	For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv)	

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock
Eleanor Stephan	526-66-7687	United States	100.00

Schedule K Continued**5** At the end of the tax year, did the corporation:

Yes No

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership see instructions

X

If 'Yes,' complete (i) through (iv)

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership see instructions

X

If 'Yes,' complete (i) through (iv)

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

X

If 'Yes,' file **Form 5452**, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock?

X

For rules of attribution see section 318. If 'Yes,' enter:

(i) Percentage owned ▶ _____ and **(ii)** Owner's country ▶ _____**(c)** The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____**8** Check this box if the corporation issued publicly offered debt instruments with original issue discount☐If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.**9** Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____**10** Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____**11** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here☐

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a) ▶ \$ 66,995.**13** Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?

X

If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value property distributions (other than cash) made during the tax year. ▶ \$ 0.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1 Cash			6,712.		4,280.
2a Trade notes and accounts receivable					
b Less allowance for bad debts					
3 Inventories					
4 U.S. government obligations					
5 Tax-exempt securities (see instructions)					
6 Other current assets (attach schedule)					
7 Loans to shareholders					
8 Mortgage and real estate loans					
9 Other investments (attach schedule)					
10a Buildings and other depreciable assets		175,211.		175,211.	
b Less accumulated depreciation		69,166.	106,045.	78,136.	97,075.
11a Depletable assets					
b Less accumulated depletion					
12 Land (net of any amortization)					
13a Intangible assets (amortizable only)					
b Less accumulated amortization					
14 Other assets (attach schedule)					
15 Total assets			112,757.		101,355.
Liabilities and Shareholders' Equity					
16 Accounts payable			9,515.		9,515.
17 Mortgages, notes, bonds payable in less than 1 year					
18 Other current liabilities (attach sch)			43,648.		43,648.
19 Loans from shareholders			137,926.		138,737.
20 Mortgages, notes, bonds payable in 1 year or more					
21 Other liabilities (attach schedule)					
22 Capital stock: a Preferred stock		5,700.		5,700.	
b Common stock			5,700.		5,700.
23 Additional paid-in capital					
24 Retained earnings — Approp (att sch)					
25 Retained earnings — Unappropriated			-84,032.		-96,245.
26 Adjmnt to shareholders' equity (att sch)					
27 Less cost of treasury stock					
28 Total liabilities and shareholders' equity			112,757.		101,355.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1 Net income (loss) per books	-9,317.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books	0.	Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation	\$	a Depreciation	\$
b Charitable contributions	\$	b Charitable contribns	\$
c Travel & entertainment	\$		
6 Add lines 1 through 5	-9,317.	9 Add lines 7 and 8	
		10 Income (page 1, line 28) — line 6 less line 9	-9,317.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	-84,032.	5 Distributions	a Cash	
2 Net income (loss) per books	-9,317.	b Stock	c Property	
3 Other increases (itemize):		6 Other decreases (itemize):		
See Ln 3 Stmt	-2,896.			
	-2,896.	7 Add lines 5 and 6		
4 Add lines 1, 2, and 3	-96,245.	8 Balance at end of year (line 4 less line 7)		-96,245.